(In Million Pieces)

| deno. | 1993-94 | 1994-95 | 1995-96 | 1996-97 | 1997-98 |
|---|---|---|---|---|---|
| Re. 1 | 17 | 40 | — | — | — |
| Rs. 2 | 135 | 91 | — | — | — |
| Rs. 5 | 370 | 459 | 177 | — | — |
| Rs. 10 | 2748 | 2575 | 2743 | 3040 | 4064 |

Re. 1, Rs. 2 and Rs. 5 have been coinised and the capacity so released has been diverted for production of higher denomination notes. Therefore, printing of these notes has been stopped (Re.1 from September, 1994; Rs. 2 from January, 1995; and Rs. 5 from November, 1995).

(b) No, Sir.

(c) Does not arise.

**Non-availability of Agricultural credit facilities**

1463. SHRI NARENDRA MOHAN: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that agricultural credit facilities are not available to a large number of agriculturists, especially small and marginal farmers;

(b) if so, the percent-wise coverage of agricultural farmers in the country who are getting these credit facilities; and

(c) the plans of Government to make available adequate credit facilities to this vulnerable section of society especially in view of the recent cases of suicides due to failure of crops and non-availability of credit to tackle this kind of situation?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND THE MINISTER OF STATE IN THE MINISTERY OF FINANCE (SHRI R. JANARTHANAM): (a) and (b) The flow of credit to the agriculture sector, including credit to small and marginal farmers, has shown an increasing trend over the last five years. The amount of loans disbursed to small and marginal farmers by scheduled commercial banks together with number of agriculture accounts as on the last Friday of June 1994, June 1995 and June 1996 (latest available), as reported by Reserve Bank of India (RBI), is as under:

| As on last Friday | No. of A/cs | Amount (Rs. crores) |
|---|---|---|
| June 1994 | 3227442 | 2467.31 |
| June 1995 | 3550062 | 3166.25 |
| June 1996 | 3713138 | 3953.40 |

To accelerate flow of credit to agriculture, RBI had advised the commercial banks to grant atleast 18% of their net bank credit as finance to agriculture.

It may also be added that since 1994 all public sector banks have formulating Special Agriculture Credit Plans (SACPs). The performance of the banks under SACP is being reviewed by RBI at regular intervals. The performance of public sector banks as a group under SACP for the period 1994-95 to 1997-98 is given below:

(Rs. in crores)

| Bank Group | Year | Target | Achievement |
|---|---|---|---|
| Public Sector Banks under SACP (April-March) | 1994-95 | 9531.37 | 8255.86 |
| | 1995-96 | 12121.19 | 10172.45 |
| | 1996-97 | 14253.48 | 12716,48 |
| | 1997-98 (upto Dec. 97) | 16096.04 | 10285.40 |

(c) With a view to ensure adequate and timely flow of credit to the agriculture, several steps have been taken by RBI and NABARD which include, *inter-alia,* the following:—

(i) The commercial banks have been asked by RBI to increase the credit flow to agriculture by 25%.

(ii) With a view to strengthen the financial capability of NABARD, its capital has been raised by Rs. 1000 crores during the past two years.

(iii) Regional Rural Banks (RRBs) have been given recapitalisation support.

(iv) Banks have been advised to set up specialised agricultural branches in each State to exclusively deal with high-tech agricultural advances.

(v) Banks have been advised to extend cash caredit facilities for meeting composite credit requirements of farmers having a good trach record; and

(vi) With a view to improving the access of small farmers to institutional credit, NABARD has advised co-operative banks to earmark funds in favour of small, marginal and economically weak farmers.

RBI has issued standing guidelines to banks in August 1984 to be followed by them for providing relief in areas affected by natural calamities/riots, etc. without waiting for instructions from RBI each time. These guidelines envisage, *inter-alia,* conversion of short-term production loans into medium term loans, rescheduling/postponement of existing term loans instalments, provision of additional need-based crop loans working capital and relaxation in security and margin norms.

These guidelines also envisage provision of the consumption loans upto Rs. 1000/-. In respect of current dues in default, banks have been asked not to charge penal interest. The banks have also been asked to suitably defer the compounding of interest charged.

**Subsidy to Power Sector**

1464. SHRI NARENDRA MOHAN: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that in 1996-97 the aggregate power subsidy was Rs. 22,000 crores and annually it is increasing by another Rs. 30,000 crores as reported in the press;

(b) how long this subsidy would continue in the power sector and what is the total incidence of subsidy being given by Government to various other sectors;

(c) the percentage of this subsidy support viz-a-viz the annual budgetary allocations made by Government; and

(d) whether the State Government are bearing the expenditure of this type of 'subsidy' under various heads, and if so, the details thereof?

THE MINISTER OF FINANCE (SHRI JASHWANT SINHA): (a) Power subsidy is given by the State Government to their State Electricity Boards (SEBs) on account of subsidised power supply to certain categories of consumers as per the policy of the State Government. A statement indicating subsidy as shown in the accounts of SEBs for 1996-97 is given in *Statement-I. (See* below).

(b) The matter relating to continuation of power subsidy rests with the State Government/SEBs.

The total subsidies of the Central Government include major subsidies (viz food, fertilizer and export promotion and market development), debt relief to farmers and other subsidies (which include railways, mill-made and handloom cloth, interest subsidies etc.) Food and fertilizers accounted for a large share (about 84 per cent) of the aggregate subsidy of Central Government in 1996-97.

(c) The total subsidy in 1996-97 amounted to Rs. 16,125 crore, which is around 8 per cent of the total expenditure of the Union Government.